

Message Text

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12

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-03 INR-07 L-03 ACDA-05

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NSC-05 SS-15 EB-07 COME-00 /069 W

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FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 4828

INFO AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY OSLO

AMEMBASSY PARIS

DOD WASHDC

OSAF WASHDC

CINCUSAFE RAMSTEIN AB

USCINCEUR VAIHINGEN

AFSC ANDREWS AFB

ASD WPAFB OH/YP

USMISSION NATO

C O N F I D E N T I A L STOCKHOLM 2717

E.O. 11652: GDS

TAGS: MASS, SW, DA

SUBJECT: LIGHTWEIGHT FIGHTER: NEW SWEDISH VIGGEN OFFER

REF: (A) COPENHAGEN 1590

(B) STOCKHOLM 983

1. WE CONCUR WITH EMBASSY COPENHAGEN'S INTERPRETATION OF THE LAST-MINUTE INITIATIVE OF SAAB-SCANIA REDUCING THE PRICE OF THE VIGGEN AIRCRAFT TO DENMARK AS A FINAL EFFORT TO EXPLOIT DELAY OF THE DECISION ON THE STAR-FIGHTER REPLACEMENT. THIS STRATEGY AIMS AT PUTTING SAAB-SCANIA IN POSITION TO TAKE ADVANTAGE OF A BREAK UP OF CONSORTIUM AND THE REOPENING OF THE MARKET FOR THE
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VIGGEN. THE STAKES FOR SWEDEN IN MARKETING THE VIGGEN

TO ONE OR MORE OF THE NATO PARTNERS IS EXCEEDING-
LY HIGH, SINCE THE FUTURE SURVIVAL OF SWEDEN'S FIGHTER
AIRCRAFT INDUSTRY -- AND TO A LARGE EXTENT ITS NEUTRAL
POSTURE -- IS PARTIALLY DEPENDENT UPON SALE ABROAD OF THE
VIGGEN.

2. AS I POINTED OUT EARLIER (REF B), THE LEADERSHIP OF
SAAB-SCANIA IS COMPOSED OF DETERMINED MEN, WHO ARE
"WILLING TO TAKE ANY ACTION, POLITICAL, ECONOMIC OR
TECHNOLOGICAL, WHICH WOULD SUPPORT THEIR CAUSE." AS
I NOTED AT THAT TIME, DENMARK HAS LONG OFFERED A
PARTICULARLY ATTRACTIVE TARGET, INASMUCH AS ITS SOCIAL
DEMOCRATIC GOVERNMENT "IS BOTH WEAKLY BASED AND
IDEOLOGICALLY KINDRED."

3. IN MY VARIOUS MEETINGS WITH SENIOR OFFICIALS OF
BOTH THE GOS AND SAAB-SCANIA (INCLUDING PRESIDENT
CURT MILEIKOWSKY), I HAVE MADE CLEAR OUR CONVICTION
THAT THE F-16 IS THE IDEAL REPLACEMENT FOR THE F-104.
HOWEVER, THE SAAB-SCANIA LEADERSHIP BACKED BY PM PALME IS FULLY
AWARE THAT TIME IS RUNNING OUT ON THEIR ALL BUT VANISHED HOPES
OF MARKETING THE VIGGEN TO DENMARK. THEIR LAST-MINUTE OFFER
MAY BE SEEN AS A DESPERATE EFFORT TO SLOW THE MOMENTUM
SEEMINGLY LEADING TOWARDS THE CONSORTIUM PURCHASE OF
THE F-16, WITH THE HOPE THAT SUCH A DELAY MIGHT ULTIMATELY
LEAD TO A BREAK-UP OF THE CONSORTIUM. AS EMBASSY
COPENHAGEN CORRECTLY COMMENTS, SHOULD BELGIUM AND THE NETHERLANDS
DELAY THEIR FINAL DECISION ON THE PURCHASE OF THE F-16 MUCH BEYOND
THIS WEEK, IT COULD ONCE AGAIN PUT THE ISSUE IN DOUBT.
STRAUSZ-HUPE

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